

KANSAS MEDICAID STATE PLAN

Attachment 4.19D
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Exhibit C-1
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Methods and Standards for Establishing Payment Rates Skilled Nursing and Intermediate Care Facility Rates (NF's and NF's-MH)

Narrative Explanation of Nursing Facility Reimbursement Formula

The calculation of the Total Property cost limit is as follows:

Plant Operating Per Diem Limit from Current Data Base
Minus: Plant Operating Per Diem Limit from Prior Data Base
Equal: Incremental Change in Total Plant Operating Limit
Add: Total Property Cost Limit from Prior Limitation Period
Equal: Total Property Cost Limit for New Limitation Period

The skilled nursing facilities and intermediate care facilities became nursing facilities on October 1, 1990. The Property cost limit, using the incremental change in Plant Operating costs, was based on the Property cost limit from the 10/1/84 data base for skilled facilities. The incremental changes in the Plant Operating costs and the subsequent change in Property cost limits are now determined from the combined Nursing Facility data base.

The property fee resulted in a calculation of a provider specific plant operating limit. The Total Property limit is reduced, on a provider specific basis, by the amount of the property allowance included in the property fee. In this manner, the non-ownership costs are limited by a cost center limit that excludes the ownership cost portion of the Medicaid rate, or the property allowance. The following is the calculation of the Plant Operating Limit:

Total Property Cost Limit for Limitation Period
Minus: Property Allowance Included in Property Fee
Equal: Plant Operating Cost Center Limit for Limitation Period

It should be noted that the value factor component of the property fee should not be reduced from the Total Property cost limit to determine the Plant Operating Cost Center Limit. The property fee is explained in greater detail in the following section of this exhibit.

Case Mix Adjustment Effective 01/01/94:

The upper payment limit for the Health Care cost center limit will be determined based on the case mix adjustment. This adjustment is explained in detail in the Case Mix Payment System section of this narrative.

REAL AND PERSONAL PROPERTY FEE

The real and personal property fee (property fee) was implemented, effective January 1, 1985, pursuant to Kansas Administrative Regulation 30-10-25. It was implemented as a response to the Deficit Reduction Act of 1984 regarding re-valuation of assets due to a change in ownership. The property fee satisfies this requirement in that it is the capital reimbursement portion of the Medicaid rate and does not change due solely to a change in ownership. The property fee is facility specific and is in lieu of all depreciation, mortgage interest, lease and amortization of lease expense. The actual ownership costs used to develop the property fee were from the latest cost report for each provider that the agency had processed through July, 1984.

The two components of the property fee are the property allowance and the property value factor. An explanation of each of these follows.

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Property Allowance: The four line items of ownership cost (mortgage interest, depreciation, lease and amortization of lease expenses) were added together and divided by resident days to arrive at the ownership cost per diem for each provider. The 85% minimum occupancy rule was imposed on all providers who had been in operation for over 12 months. The ownership per diem cost was reduced proportionately for each provider who had total property costs in excess of the 85th percentile limit on the Property Cost Center Limit. This adjustment to the ownership per diem cost was based on the ratio of ownership costs to total property costs, multiplied by the property costs in excess of the cost center limit. The ownership per diem cost minus this adjustment (if any) resulted in the property allowance.

Property Value Factor: The property allowances for all providers were arrayed by level of care and percentiles established. These percentiles became the basis for establishing the property value factor. The five different groupings developed from each array are as follows:

Group #	Percentile Ranking	Add-On Percent
1	-0- through 25th Percentile	45%
2	26th through 50th Percentile	15%
3	51st through 75th Percentile	7.5%
4	76th through 85th Percentile	5%
5	86th through 100th Percentile	0%

Once the percentile groups were established, a weighted average property allowance was calculated for each group. This average property allowance was then multiplied by the add-on percentage to arrive at the property value factor for each group. This add-on percentage is inversely related to the percentile ranking. That is, the lower the percentile ranking, the higher the add-on percentage. The property value factor for each percentile group was then assigned to each provider within that group.

There are two value factor arrays. One array is for the Medicare skilled nursing facilities. The other is for nursing facilities which are not certified as Medicare skilled facilities. The value factor is determined based on the classification of the nursing facility and by using the applicable array.

There are two provisions for changing the property fee. One is for a "rebasing" when capital expenditure thresholds are met (\$25,000 for homes under 51 beds and \$50,000 for homes over 50 beds). The original property allowance remains constant but the additional factor for the rebasing is added. The property fee rebasing is explained in greater detail in Exhibit A-14. The other provision is that an inflation factor may be applied to the property fee on an annual basis.

INCENTIVE FACTOR

The incentive factor is a per diem add-on ranging from zero to fifty cents. It is based on the per diem cost of the Administration cost center and the Plant Operating cost center less the real and personal property taxes expense line. The per diem allowance for these two cost centers less property taxes is determined before the owner/related party/administrator co-administrator limitation is applied.

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The incentive factor is designed to encourage economy and efficiency in the administrative and plant operating cost areas. Property taxes were excluded since the provider has little control of the cost. There is an inverse relationship between the incentive factor and the per diem cost used to determine it. The higher the per diem cost, the lower the incentive factor.

The Schedule E is an array of the per diem costs that are used to determine the incentive factor. The schedule includes the costs from the most recent historical cost report for all active providers. No projected cost reports are included. The per diem costs are based on the 85% occupancy rule. The costs are not adjusted for inflation.

The Schedule E summarizes all expense lines from the Administration cost center and the Plant Operating cost center, less property taxes. The ownership costs are excluded from the array so that both older facilities (with relatively lower ownership costs) and newer facilities (with relatively higher ownership costs) can benefit from the incentive factor through efficient operations. The Room and Board and Health Care cost centers are excluded from the incentive factor calculation so that providers are not rewarded for cost efficient operations with regard to costs that may jeopardize the direct care of the residents.

The total per diem costs for administration and plant operating, less property taxes, are arrayed and percentiles established. These percentiles then become the basis for establishing the per diem cost ranges used to determine each providers efficiency factor, consistent with agency policy. The ranges are defined as follows:

<u>Providers Percentile Ranking</u>	<u>Incentive Factor Per Diem</u>
-0- to 30th Percentile	\$.50
31st to 55th Percentile	.40
56th to 75th Percentile	.30
76th to 100th Percentile	-0-

INFLATION FACTORS

Inflation will be applied to the allowable reported costs from the calendar year end cost reports for rates effective July 1st. The inflation will be based on the Data Resources, Inc. National Skilled Nursing Facility Market Basket Index (DRI Index). The inflation will be applied from the midpoint of the cost report period to the midpoint of the payment limitation period (December 31st). This annual percentage estimate is used consistently throughout the limitation period.

The DRI Indexes listed in the latest available quarterly publication will be used to determine the inflation tables for the payment schedules processed during the payment limitation period. This will require the use of forecasted factors in the inflation table. The inflation tables will not be revised until the next payment limitation period.

For historic cost report periods ending other than the last month in a quarter, the inflation factor to be used in the calculation will be the factor for the quarter in which the cost reporting period ends. For example, a cost report period ended August 31st, will receive inflation based on the calculation using the September, third quarter,

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Narrative Explanation of Nursing Facility Reimbursement Formula

DRI Index forecast. This approach is being used instead of trying to convert a quarterly index into monthly factors.

The table "Inflation For Report Year Ends Prior To 7/1/94" (Exhibit C-2, page 1) is applied in determining rates with an effective date of July 1. The table "Inflation for Report Year Ends After 7/1/94" (Exhibit C-2, page 2) is applied in determining rates for non calendar year historic cost reports with rate effective date other than July 1.

The inflation factor is applied to all costs except the following:

- 1) Administrator and Co-Administrator Salaries
- 2) Owner/Related Party Compensation
- 3) Interest Expense
- 4) Real and Personal Property Taxes

RATE EFFECTIVE DATE

Rate effective dates are determined in accordance with Exhibit A-7. The rate may be revised for an add-on reimbursement factor (i.e. rebased property fee or 24 hour nursing), desk review adjustment or field audit adjustment.

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INFLATION FOR REPORT YEAR ENDS PRIOR TO 7/1/94 EFFECTIVE 07/01/94

REPORT YEAR END (RYE)	MIDPOINT OF RYE	MIDPOINT OF RYE INDEX	MIDPOINT OF RATE PERIOD	MIDPOINT OF RATE PERIOD INDEX	INFLATION FACTOR % *
12-92	06-92	1.284	12-94	1.408	9.657%
01-93	07-92	1.296	12-94	1.408	8.642%
02-93	08-92	1.296	12-94	1.408	8.642%
03-93	09-92	1.296	12-94	1.408	8.642%
04-93	10-92	1.306	12-94	1.408	7.810%
05-93	11-92	1.306	12-94	1.408	7.810%
06-93	12-92	1.306	12-94	1.408	7.810%
07-93	01-93	1.319	12-94	1.408	6.748%
08-93	02-93	1.319	12-94	1.408	6.748%
09-93	03-93	1.319	12-94	1.408	6.748%
10-93	04-93	1.330	12-94	1.408	5.865%
11-93	05-93	1.330	12-94	1.408	5.865%
12-93	06-93	1.330	12-94	1.408	5.865%
01-94	07-93	1.344	12-94	1.408	4.762%
02-94	08-93	1.344	12-94	1.408	4.762%
03-94	09-93	1.344	12-94	1.408	4.762%
04-94	10-93	1.357	12-94	1.408	3.758%
05-94	11-93	1.357	12-94	1.408	3.758%
06-94	12-93	1.357	12-94	1.408	3.758%

* = (Midpoint of rate period index / Midpoint of rye index) -1

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INFLATION FOR REPORT YEAR ENDS AFTER 7/1/94 EFFECTIVE 7/1/94

<u>RYE</u>	<u>MIDPOINT OF RYE</u>	<u># OF MONTHS FROM MIDPOINT TO 07-01-95</u>	<u>RED</u>	<u># OF MONTHS FROM RED TO 07-01-95</u>	<u>INFLATION FACTOR</u>
07-31-94	01-31-94	17	08-01-94	11	3.747%
08-31-94	02-28-94	16	09-01-94	10	3.584%
09-30-94	03-31-94	15	10-01-94	9	3.421%
10-31-94	04-30-94	14	11-01-94	8	3.258%
11-30-94	05-31-94	13	12-01-94	7	3.095%
12-31-94	06-30-94	12	01-01-95	6	2.932%
01-31-95	07-31-94	11	02-01-95	5	2.769%
02-28-95	08-31-94	10	03-01-95	4	2.606%
03-31-95	09-30-94	9	04-01-95	3	2.444%
04-30-95	10-31-94	8	05-01-95	2	2.281%
05-31-95	11-30-94	7	06-01-95	1	2.118%

X = NUMBER OF MONTHS FROM MIDPOINT OF RYE TO 07/01/95

Y = NUMBER OF MONTHS FROM RED TO 07/01/95

FORMULA = $0.3258\% \cdot [X - (Y/2)]$

ANNUAL RATE OF INFLATION = 3.910%

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COST CENTER LIMITATIONS EFFECTIVE 07/01/94

<u>COST CENTER</u>	<u>UPPER LIMIT</u>
Administration	\$8.05
Property	10.01
Room & Board	17.06
Health Care	39.04 •

• = Base limit for a facility average case mix index of 1.00

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INCENTIVE FACTORS EFFECTIVE 07/01/94

Level	Percentile Range		Per Patient Day Range		Incentive
	Low	High	Low	High	Factor
NF	-0-	30th	\$ -0-	9.91	\$.50
	31st	55th	9.92	11.44	0.40
	56th	75th	11.45	13.21	0.30
	76th	100th	13.22	above	-0-

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OWNER/RELATED PARTY SALARY LIMITATIONS
ALL LEVELS OF CARE
EFFECTIVE 7/1/94

Job Classification	Salary Range	Bed Size: 0-59	60-120	121+	0-99	100	Any Size
Administrator (*)	23E	28,356					
	28E		36,192				
	31E			41,892			
Co-Administrator (*)	19E	23,328					
	22E		27,012				
	24E			29,760			
Accountant (II)	24E						29,760
Attorney (II)	31E						41,892
Bookkeeper	15E						19,200
Secretary (II)	15E						19,200
Gen. Maint. & Repair Tech II	17E						21,168
Physical Plant Supervisor I (1 or 2 Facilities)	23E						28,356
Physical Plant Supervisor II (3 or More Facilities)	25E						31,260
Cook	11E						15,792
Food Service Supervisor II	17E						21,168
Housekeeper/Laundry Worker	9E						14,328
Director of Nursing (RN III *)	25E				31,260		
Director of Nursing (RN IV *)	28E					36,192	
Registered Nurse (RN II *)	22E						27,012
Licensed Practical Nurse (LPN *)	18E						22,212
LPN Supervisor (*)	20E						24,504
Health Care Assistant (Nurse Aides)	12E						16,608
Mental Health Aide	12E						16,608
Physical Therapist II (*)	27E						34,452
Physical Therapist Aide	13E						17,424
Occupational Therapist II (*)	26E						32,832
Speech Path./Audio. I. (*)	26E						32,832
Activity Therapy Tech.	14E						18,288
Activity Therapist I (*)	22E						27,012
Social Worker (*)	22E						27,012
Medical Records Administrator	24E						29,760
Medical Records Technician	19E						23,328
Central Office (3 or More Facilities)							
Chief Executive Officer	36E						53,460
Chief Operating Officer	34E						48,516
All Other Chief Officers	31E						41,892

(*) License/Registration/Certificate Requirement

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OWNER/ADMINISTRATOR LIMITATION TABLE EFFECTIVE 07/01/94

Number of Beds	Total Bed Days	Maximum Owner/Admin Compensation	Limit PPD	F/Y	Amount	Cost of Living State Emp.
15	5,475	\$18,407	\$3.36	76	10,000	---
16	5,840	19,059	3.26	77	10280	2.800%
17	6,205	19,711	3.18	78	10537	2.500%
18	6,570	20,363	3.10	79	11301	7.250%
19	6,935	21,015	3.03	80	11781	4.250%
20	7,300	21,667	2.97	81	12617	7.100%
21	7,665	22,319	2.91	82	13248	5.000%
22	8,030	22,972	2.86	83	14109	6.500%
23	8,395	23,624	2.81	84	14426	2.250%
24	8,760	24,276	2.77	85	15147	5.000%
25	9,125	24,928	2.73	86	15933	5.190%
26	9,490	25,580	2.70	87	16411	3.000%
27	9,855	26,232	2.66	88	16575	1.000%
28	10,220	26,884	2.63	89	17238	4.000%
29	10,585	27,537	2.60	90	17755	3.000%
30	10,950	28,189	2.57	91	18021	1.500%
31	11,315	28,841	2.55	92	18021	0.000%
32	11,680	29,493	2.53	93	18111	0.500%
33	12,045	30,145	2.50	94	18202	0.500%
34	12,410	30,797	2.48	95	18407	1.125%
35	12,775	31,449	2.46			
36	13,140	32,102	2.44			
37	13,505	32,754	2.43			
38	13,870	33,406	2.41			
39	14,235	34,058	2.39			
40	14,600	34,710	2.38			
41	14,965	35,362	2.36			
42	15,330	36,014	2.35			
43	15,695	36,667	2.34			
44	16,060	37,319	2.32			
45	16,425	37,971	2.31			
46	16,790	38,623	2.30			
47	17,155	39,275	2.29			
48	17,520	39,927	2.28			
49	17,885	40,579	2.27			
50	18,250	41,232	2.26			

OPTIONAL FORM 99 (7-90)

FAX TRANSMITTAL

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To <u>Sue Davison</u>	From <u>Mary Stuart</u>
Dept./Agency	Phone #
Fax # <u>410 966 5943</u>	Fax #
NSN 7540-01-317-7368	5099-101
GENERAL SERVICES ADMINISTRATOR	

90th Percentile PPD
Administrator & Co-
Administrator Salary.

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REAL AND PERSONAL PROPERTY FEE VALUE FACTOR RANGES

SKILLED NURSING FACILITIES (MEDICARE)

GROUP	PERCENTILE		AMOUNT		AVERAGE ALLOW.	PERCENT	VALUE FACTOR
	FROM	TO	FROM	TO			
5	86	100	\$5.84	\$6.81	\$6.38	0.0	\$0.00
4	76	85	5.14	5.83	5.54	5.0	0.28
3	51	75	3.79	5.13	4.52	7.5	0.34
2	26	50	2.03	3.78	2.84	15.0	0.43
1	0	25	0.72	2.02	1.40	45.0	0.63

NURSING FACILITIES (NON-MEDICARE)

5	86	100	4.55	6.04	4.96	0.0	0.00
4	76	85	4.11	4.54	4.32	5.0	0.22
3	51	75	2.82	4.10	3.49	7.5	0.26
2	26	50	1.60	2.81	2.13	15.0	0.32
1	0	25	0.00	1.59	1.08	45.0	0.49

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CASE MIX INDEX TABLE EFFECTIVE 07/01/94

RUG-III GROUP	CODE	CMI
SPECIAL REHABILITATION		
REHAB VERY HI 14-18	RVC	4.40
REHAB VERY HI 8-13	RVB	3.61
REHAB VERY HI 4-7	RVA	3.45
REHAB HI 15-18	RHD	3.63
REHAB HI 12-14	RHC	2.97
REHAB HI 8-11	RHB	2.94
REHAB HI 4-7	RHA	2.71
REHAB MED 16-18	RMC	2.68
REHAB MED 8-15	RMB	2.21
REHAB MED 4-7	RMA	2.10
REHAB LO 12-18	RLB	1.67
REHAB LO 4-11	RLA	1.51
EXTENSIVE SERVICES		
EXTENSIVE 3	SE3	4.38
EXTENSIVE 2	SE2	2.55
EXTENSIVE 1	SE1	1.72
SPECIAL CARE		
SPECIAL CARE 17-18	SSC	1.55
SPECIAL CARE 14-16	SSB	1.39
SPECIAL CARE 7-13	SSA	1.31
CLINICALLY COMPLEX		
COMPLEX 17-18 D	CD2	1.36
COMPLEX 17-18	CD1	1.30
COMPLEX 11-16 D	CC2	1.22
COMPLEX 11-16	CC1	1.14
COMPLEX 6-10 D	CB2	1.16
COMPLEX 6-10	CB1	1.03
COMPLEX 4-5 D	CA2	1.01
COMPLEX 4-5	CA1	0.84

RUG-III GROUP	CODE	CMI
IMPAIRED COGNITION		
IMPAIRED 6-10 N	IB2	1.00
IMPAIRED 6-10	IB1	0.91
IMPAIRED 4-5 N	IA2	0.80
IMPAIRED 4-5	IA1	0.69
BEHAVIOR PROBLEMS		
BEHAVIOR 6-10 N	BB2	1.02
BEHAVIOR 6-10	BB1	0.90
BEHAVIOR 4-5 N	BA2	0.74
BEHAVIOR 4-5	BA1	0.63
REDUCED PHYSICAL FUNCTIONS		
PHYSICAL 16-18 N	PE2	1.10
PHYSICAL 16-18	PE1	1.06
PHYSICAL 11-15N	PD2	1.05
PHYSICAL 11-15	PD1	0.99
PHYSICAL 9-10 N	PC2	0.93
PHYSICAL 9-10	PC1	0.93
PHYSICAL 6-8 N	PB2	0.83
PHYSICAL 6-8	PB1	0.74
PHYSICAL 4-5 N	PA2	0.74
PHYSICAL 4-5	PA1	0.60

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COMPILATION OF COST CENTER LIMITATIONS EFFECTIVE 07/01/94

	BEFORE INFLATION					***AFTER INFLATION***				
	ADMIN	PLT OP	RM&BRD	HLTCR	TOTAL	ADMIN	PLT OP	RM&BRD	HLTCR	TOTAL
MEDIAN	6.46	4.52	12.39	29.5	52.92	6.71	4.76	13.12	31.23	55.84
MEAN	7.22	5.01	13.44	30.73	56.4	7.55	5.29	14.24	32.56	59.64
WTMN	6.89	4.87	13.04	30.69	55.48	7.19	5.13	13.81	32.51	58.64
# OF PROV	388					388				

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COMPILATION OF ADMINISTRATOR, CO-ADMINISTRATOR AND OWNER EXPENSE - O/A LIMIT

	ADMINISTRATOR		CO-ADMINISTRATOR		TOTAL ADMN & CO-ADMN		OWNER	
	TOTAL	PRD	TOTAL	PRD	TOTAL	PRD	TOTAL	PRD
HIGH	90,865	4.06	39,225	4.74	90,865	7.27	172,676	6.28
99th	76,428	3.47	39,225	4.74	76,918	3.88	156,941	4.99
95th	52,709	2.56	31,013	2.18	56,600	2.62	92,181	3.84
90th	45,869	2.23	30,933	1.76	47,279	2.26	76,064	2.87
85th	42,568	2.13	23,978	1.01	42,906	2.14	47,864	2.15
80th	40,678	2.03	23,770	0.79	41,229	2.05	36,964	1.87
75th	39,077	1.91	23,473	0.64	39,514	1.93	30,371	1.27
70th	37,630	1.83	16,094	0.59	37,921	1.84	21,402	0.97
65th	36,811	1.71	10,040	0.51	37,058	1.76	19,993	0.86
60th	35,000	1.67	9,448	0.47	35,500	1.69	18,146	0.80
55th	34,260	1.59	9,139	0.42	34,481	1.62	15,000	0.70
50th	33,280	1.52	8,793	0.36	33,529	1.54	13,027	0.59
40th	31,219	1.43	6,878	0.19	31,269	1.45	10,291	0.49
30th	28,832	1.30	2,992	0.14	29,120	1.31	7,463	0.38
20th	26,014	1.14	2,147	0.07	26,243	1.16	4,560	0.24
10th	17,664	0.99	1,002	0.03	17,647	1.01	1,758	0.06
1st	5,890	0.62	370	0.01	7,516	0.59	356	0.02
LOW	1,622	0.03	370	0.01	3,358	0.07	-15,984	-2.89
MEAN	33,470	1.60	12,038	0.64	34,193	1.64	25,158	1.03
WTMN	36,434	1.47	13,033	0.41	37,478	1.50	29,082	1.01
# of Prov	355		27		357		168	

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COMPILATION OF LINE ITEM INPUTS TO INCENTIVE FACTOR

	INCENTIVE AMOUNT
HIGH	118.20
99th	45.62
95th	19.94
90th	16.49
85th	14.69
80th	13.76
75th	13.21
70th	12.47
65th	12.03
60th	11.72
55th	11.44
50th	11.10
40th	10.60
30th	9.91
20th	9.32
10th	8.61
1st	6.53
LOW	5.89
MEAN	12.45
WTMN	11.75
# of Prov	383

TN# MS-94-17 Approval Date JUN 06 2001 Effective Date 7/1/94 Supersedes TN# MS-93-19



JOAN FINNEY, GOVERNOR OF THE STATE OF KANSAS

KANSAS DEPARTMENT OF SOCIAL
AND REHABILITATION SERVICES

DONNA WHITEMAN, SECRETARY

June 24, 1994

Dear Administrator:

We forwarded the per diem rate shown on the attached Case Mix Payment Schedule for 1st Quarter FY 95 (computer print-out) to our fiscal agent, EDS-Federal. The rate is effective July 1, 1994. The payment schedule and rate reflect the revised cost center limitations, inflation factors, owner/related party/administrator compensation per diem limitations, incentive ranges and the full case mix adjustment in the Health Care cost center.

SRS determined this rate by applying the appropriate Medicaid program policies and regulations to the cost report (Form MS 2004) data shown on the enclosed payment schedule. Desk review adjustments to the cost report are shown on the enclosed Provider Adjustment Sheet, except transfers from one line to another, which are shown in the "Reason for SRS Adjustments" column of the schedule. (All related transfers in this column have the same key number.) IF YOU HAVE ANY QUESTIONS ABOUT ANY DESK REVIEW ADJUSTMENT, CALL THE ADULT CARE HOME PROGRAM'S AUDIT MANAGER IN SRS AUDIT SERVICES AT (913) 296-3836.

THE FACILITY'S RATE FOR NON MEDICAID/MEDIKAN RESIDENTS MUST EQUAL OR EXCEED THE MEDICAID/MEDIKAN RATE FOR COMPARABLE CARE AND SERVICES. If the private pay rate indicated on the agency register is lower, then the Medicaid/Medikan rate, beginning with its effective date, shall be lowered to the private pay rate reflected on the registry. Providers who subsequently notify the agency by certified mail of the private pay rate shall have the Medicaid/Medikan rate adjusted the first day of the month following the date of the certified letter. SEE KANSAS ADMINISTRATIVE REGULATION (KAR) 30-10-18(c).

You have the right to request a fair hearing appeal within thirty (30) days of the date on this rate notification letter, pursuant to K.A.R. 30-7-64 et seq. The written request for such an appeal should be sent to and received by the SRS Administrative Hearings Section, 2nd Floor, 610 West Tenth, Topeka, KS 66612. A failure to timely request or pursue such an appeal may adversely affect your rights on any other judicial review actions.

If you have questions regarding the Medicaid rate, other than those on desk review adjustments, write to me or call at (913) 296-0703.

Sincerely,

Bill McDaniel, Administrator
Nursing Facility Reimbursement
Income Support/Medical Services Commission

BRM:ckc
Enclosure

915 SW HARRISON STREET, TOPEKA, KANSAS 66612

TN# MS-94-17 Approval Date JUN 06 2004 Effective Date 7/1/94 Supersedes TN# MS-94-02

KANSAS MEDICAID STATE PLAN

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STATE KANSAS DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
DIVISION OF MEDICAL SERVICES - MEDICAID ADULT CARE HOME COST ANALYSIS

CASE MIX SCHEDULE
1ST QRT 1995
PAGE 1

***** PROVIDER INFORMATION *****

PROVIDER NO.....	1626-1			
FACILITY NAME.....	Leonardville Home	BEDS AVAILABLE	PRIOR	CURRENT
ADDRESS.....	West North Second St.	NURSING FACILITY.....	60	60
CITY/STATE/ZIP....	Leonardville, KS 66449	NF-MENTAL HEALTH.....	0	0
ADMINISTRATOR.....	Sandra Hageman	OTHER.....	0	0
		TOTAL.....	60	60
REPORT YEAR END...	12/31/93	BED DAYS AVAILABLE...	21,960	21,900
FISCAL YEAR END...	12/31/93	INPATIENT DAYS.....	21,044	20,253
		OCCUPANCY RATE.....	95.8	92.5
INFLATION FACTOR..	5.865	MEDICAID DAYS.....	8,525	8,176
		CAL DAYS IF APPL.....	0	0
CHI.....	0.93	RES DAYS USED IN DIV.	21,044	20,253
				%CHG
				0.0
				0.0
				0.0
				0.0
				-0.3
				-3.8
				-3.4
				-4.1

***** RECAP OF RESIDENT RELATED EXPENSES AND RATE CALCULATION *****

	ADMIN	PLANT OPERATING	ROOM & BOARD	HEALTH CARE	TOTAL
RES RELATED EXP.....	97,978	90,797	210,630	478,900	878,305
COST PER RESIDENT DAY....	4.84	4.48	10.40	23.65	43.37
INFLATION.....	0.19	0.26	0.61	1.39	2.45
PPD COST BEFORE LIMITS...	5.03	4.74	11.01	25.04	45.82
PPD COST LIMITS.....NF	8.05	2.61	17.06	36.31	64.03
ALLOWED COST.....	5.03	2.61	11.01	25.04	43.69

	NF
ALLOWED COST.....	43.69
INCENTIVE FACTOR.....	0.50
REAL AND PERSONAL PROPERTY FEE.....	7.40
24-HR NURSING ADJUSTMENT.....	0.00
PER RESIDENT DAY RATE EFFECTIVE.....	07/01/94 51.59
PRIVATE PAY RATE.....	56.34

KANSAS MEDICAID STATE PLAN

Attachment 4.19-D

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PROV NUM 1626-1

***** EXPENSE STATEMENT *****

DESCRIPTION	LINE NO.	***** CURRENT YEAR *****			***** PRIOR YEAR *****		% CHG	LINE NO.	REASON FOR SRS ADJUSTMENT	
		REPORTED EXPENSE	PROVIDER ADJUSTMT	SRS ADJUSTMT	RESIDENT EXPENSE	PER DAY				RESIDENT EXPENSE
ADMINISTRATION										
SALARY-ADMIN	101	32,659	0	0	32,659	1.61	30,624	1.46	10.27	101
SALARY-CO ADM	102	0	0	0	0	0.00	0	0.00	0.00	102
OTHER ADM SAL	103	13,409	0	0	13,409	0.66	13,312	0.63	4.76	103
EMP BENEFITS	104	7,663	0	0	7,663	0.38	6,780	0.32	18.75	104
OFC SUP & PRINT	105	3,774	0	0	3,774	0.19	2,664	0.13	46.15	105
MGT CONSULTING	106	0	0	0	0	0.00	0	0.00	0.00	106
OWN/REL PTY CMP	107	0	0	0	0	0.00	0	0.00	0.00	107
CENTRAL OFC	108	0	0	0	0	0.00	0	0.00	0.00	108
PHONE & COMMUNI	109	8,164	0	0	8,164	0.40	7,618	0.36	11.11	109
TRAVEL	110	3,999	0	0	3,999	0.20	5,433	0.26	-23.08	110
ADVERTISING	111	1,391	0	0	1,391	0.07	1,086	0.05	40.00	111
LICENSES & DUES	112	3,427	0	0	3,427	0.17	4,621	0.22	-22.73	112
LEGAL/ACCTG DP	113	13,050	0	0	13,050	0.64	11,845	0.56	14.29	113
INS EXCEPT LIFE	114	10,442	0	0	10,442	0.52	8,289	0.39	0.00	114
INT EXCEPT R/E	115	0	0	0	0	0.00	0	0.00	0.00	115
OTHER	117	0	0	0	0	0.00	0	0.00	0.00	117
OTHER	118	0	0	0	0	0.00	0	0.00	0.00	118
O/A LIMIT	119	0	0	0	0	0.00	0	0.00	0.00	119
TOTAL ADMIN	120	97,978	0	0	97,978	4.84	92,272	4.38	10.50	120
PLANT OPERATING										
R/E & PP TAXES	121	14	0	0	14	0.00	0	0.00	0.00	121
SALARIES	126	17,064	0	0	17,064	0.84	12,795	0.61	37.70	126
EMP BENEFITS	127	2,836	0	0	2,836	0.14	2,309	0.11	27.27	127
OWN/REL PTY CMP	128	0	0	0	0	0.00	0	0.00	0.00	128
UTILITIES	129	45,955	0	0	45,955	2.27	40,921	1.94	17.01	129
MAINT & REPAIR	130	15,767	0	0	15,767	0.78	8,199	0.39	100.00	130
SUPPLIES	131	6,362	0	0	6,362	0.31	2,800	0.13	138.46	131
SMALL EQUIPMENT	137	699	0	0	699	0.03	0	0.00	100.00	137
OTHER	138	2,100	0	0	2,100	0.10	2,060	0.10	0.00	138
TOTAL PLANT OP	139	90,797	0	0	90,797	4.48	69,084	3.28	36.59	139
ROOM & BOARD										
EMP BENEFITS	141	19,071	0	0	19,071	0.94	19,000	0.90	4.44	141
DIETARY-SAL	142	59,902	0	0	59,902	2.96	59,996	2.85	3.86	142
OWN/REL PTY CMP	143	0	0	0	0	0.00	0	0.00	0.00	143
CONSULTANT	144	1,825	0	0	1,825	0.09	2,312	0.11	-18.18	144
FOOD	145	68,017	-2,364	0	65,653	3.24	68,173	3.24	0.00	145
SUPPLIES	146	347	0	0	347	0.02	2,791	0.13	-84.62	146
OTHER	148	237	0	0	237	0.01	0	0.00	100.00	148
LAUNDRY-LINEN-SAL	149	30,437	0	0	30,437	1.50	32,161	1.53	-1.96	149
LINEN - BEDDING	150	2,584	0	0	2,584	0.13	6,573	0.31	-58.06	150
SUPPLIES	151	7,395	0	0	7,395	0.37	5,864	0.28	32.14	151
OTHER	153	0	0	0	0	0.00	48	0.00	0.00	153
HOUSEKEEPING-SAL	154	21,054	0	0	21,054	1.04	19,828	0.95	9.47	154
SUPPLIES	155	2,125	0	0	2,125	0.10	1,013	0.05	100.00	155
OTHER	158	0	0	0	0	0.00	0	0.00	0.00	158
TOTAL RM & BOARD	159	212,994	-2,364	0	210,630	10.40	217,819	10.35	0.48	159

KANSAS MEDICAID STATE PLAN

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***** EXPENSE STATEMENT *****

DESCRIPTION	LINE NO.	***** CURRENT YEAR *****			***** PRIOR YEAR *****		***** PRIOR YEAR *****			LINE NO.	REASON FOR SRS ADJUSTMENT
		REPORTED EXPENSE	PROVIDER ADJUSTMT	SRS ADJUSTMT	RESIDENT EXPENSE	PER DAY	RESIDENT EXPENSE	PER DAY	% CHG		
HEALTH CARE											
NURSING-RN	161	68,722	0	0	68,722	3.39	59,487	2.83	19.79	161	
LPN/LMHT	162a	54,148	0	0	54,148	2.67	54,766	2.60	2.69	162a	
LPN/LMHT	162b	0	0	0	0	0.00	0	0.00	0.00	162b	
OTHER NURSING	163a	201,333	0	0	201,333	9.94	205,746	9.78	1.64	163a	
OTHER NURSING	163b	0	0	0	0	0.00	0	0.00	0.00	163b	
OTHER NURSING	163c	0	0	0	0	0.00	0	0.00	0.00	163c	
EMP BENEFITS	164	71,588	0	0	71,588	3.53	60,307	2.87	23.00	164	
GM/REL PTY CMP	165	0	0	0	0	0.00	0	0.00	0.00	165	
CONSULTANTS	166	5,398	0	0	5,398	0.27	5,336	0.25	8.00	166	
PURCH SERVICES	167	0	0	0	0	0.00	0	0.00	0.00	167	
SUPPLIES	168	28,658	0	0	28,658	1.42	30,391	1.44	-1.39	168	
OTHER	170	0	0	0	0	0.00	0	0.00	0.00	170	
THRY/OTHER SAL	171a	12,185	0	0	12,185	0.60	0	0.00	100.00	171a	
THRY/OTHER SAL	171b	0	0	0	0	0.00	0	0.00	0.00	171b	
THRY/OTHER SAL	171c	0	0	0	0	0.00	0	0.00	0.00	171c	
THRY/OTHER SAL	171d	0	0	0	0	0.00	0	0.00	0.00	171d	
THRY/OTHER SAL	171e	0	0	0	0	0.00	0	0.00	0.00	171e	
THRY/OTHER SAL	171f	0	0	0	0	0.00	0	0.00	0.00	171f	
GM/REL PTY CMP	172	0	0	0	0	0.00	0	0.00	0.00	172	
PAT ACT/SOC WKR	173a	17,003	0	0	17,003	0.84	15,792	0.75	12.00	173a	
PAT ACT/SOC WKR	173b	12,191	0	0	12,191	0.60	7,648	0.36	66.67	173b	
PAT ACT/SOC WKR	173c	0	0	0	0	0.00	0	0.00	0.00	173c	
PAT ACT/SOC WKR	173d	0	0	0	0	0.00	13,693	0.65	0.00	173d	
PAT ACT SUPPLS	174	2,833	0	0	2,833	0.14	2,306	0.11	27.27	174	
OCCUP THERAPY	175	0	0	0	0	0.00	0	0.00	0.00	175	
REC RECORDS-CON	176	438	0	0	438	0.02	350	0.02	0.00	176	
PHYSN-CONSULTANTS	177	717	0	0	717	0.04	2,447	0.12	-66.67	177	
SPEECH THERAPY	178	0	0	0	0	0.00	0	0.00	0.00	178	
PHYSICAL THERAPY	179	0	0	0	0	0.00	382	0.02	0.00	179	
CONSULTANT	180	394	0	0	394	0.02	281	0.01	100.00	180	
NURSING TRNG	181a	2,468	0	0	2,468	0.12	5,011	0.24	-50.00	181a	
NURSING TRNG	181b	0	0	0	0	0.00	0	0.00	0.00	181b	
RESIDENT TRANSP	182	824	0	0	824	0.04	1,101	0.05	-20.00	182	
OTHER	183	0	0	0	0	0.00	80	0.00	0.00	183	
OTHER	188	0	0	0	0	0.00	0	0.00	0.00	188	
TOTAL HLTH CARE	189	478,900	0	0	478,900	23.65	465,124	22.10	7.01	189	
TOTAL ALLOWABLE	190	880,669	-2,364	0	878,305	43.37	844,299	40.11	8.13	190	

OWNERSHIP

IND-R/E MORTG	191	59,939	-14,270	0	45,669	2.25	5,825	0.28	703.57	191
RENT/LEASE	192	2,847	0	0	2,847	0.14	2,611	0.12	16.67	192
HOUSEHOLD IMPRV	193	0	0	0	0	0.00	0	0.00	0.00	193
DEPRECIATION	194	97,667	0	0	97,667	4.82	69,851	3.32	45.18	194
TOTAL OWNERS	195	160,453	-14,270	0	146,183	7.22	78,287	3.72	52.17	

REAL AND PERSONAL PROPERTY FEE COMPONENT

YR	RES DAYS	MTG INT	RENT/LEASE	AMORT	DEPR	TOTAL	PPD	PROP ALLOW	VALUE FACTOR	PROP FEE
12/31/91	20,998	60,208	0	500	88,198	148,906	1.09	7.40	0.00	7.40

TN# MS-94-17 Approval Date JUN 06 2004 Effective Date 7/1/94 Supersedes TN# MS-94-02

KANSAS MEDICAID STATE PLAN

Attachment 4.19D

Part I

Subpart F

Page 1

Methods and Standards for Establishing Payment Rates: Skilled Nursing and Intermediate Care Facility Rates (Currently Nursing Facilities)

Reimbursement For Nursing Facilities With Over 199 Beds

Nursing facilities (NFs) with over 199 beds, who are reimbursed on the basis of a projected or historical cost report, shall be limited by an overall total rate approved by the Secretary of the agency. The rate shall be reasonable and adequate to meet the costs which must be incurred by efficiently and economically operated facilities. Special level of care groups are only established when the characteristics of the facilities or residents are so unique that reimbursement under the usual methods and standards for establishing payment rates for NFs are not reasonable or adequate.

The following parameters shall be used in setting rates for NFs with over 199 beds:

1. They are required to submit the uniform Nursing Facility Financial and Statistical Report in accordance with Exhibit A-5. The treatment of allowable and non allowable costs are consistent for all NFs, regardless of size.
2. The per diem rates are determined by applying the 85 percent minimum occupancy rule, administrator/co-administrator/owner/ related party compensation limits, inflation factors and the incentive factors, as applied to all NFs, regardless of size.
3. The rates are held to the upper payment limits for the Administration, Property, and Room and Board cost centers. They are not held to the upper payment limit for the Health Care cost center.
4. The property reimbursement (real estate interest, depreciation, lease and amortization of leasehold improvements) is based on the real and personal property fee. The overall property limit established for NFs with less than 200 beds is applied to these facilities. The payment methodology is not reasonably expected to result in an increase in payments based solely on a change of ownership in excess of what would be allowed for any other NF.

TN#MS-94-17 Approval Date JUN 06 2001 Effective Date 07/01/94 Supersedes TN#MS-92-22

KANSAS MEDICAID STATE PLAN

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Page 2

Methods and Standards for Establishing Payment Rates:
Skilled Nursing and Intermediate Care Facility Rates
(Currently Nursing Facilities)

Reimbursement For Nursing Facilities With Over 199 Beds

5. The payment rate can not exceed the private pay rate for comparable services. The related requirements in Exhibit A-6 shall be followed.
6. The rates are not expected to pay more in the aggregate for NF services than the amount that the agency estimates would be paid under the Medicare principles of reimbursement.
7. Rates for the facilities are determined at least annually based on submissions of the uniform cost report.